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C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 001055

SIPDIS

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TAGS: PREL PGOV ENRG PHUM KDEM EUN BO
SUBJECT: FRIENDS OF BELARUS: ELECTIONS AND KOZULIN

Classified By: Acting Polmincouns Alyce Tidball, for reasons $1.5\ (D)$ and $d\ (E)$.

¶1. (C) Summary. On July 3, EUR A/S Daniel Fried participated in an informal gathering of the informal Friends of Belarus contact group to encourage continued Transatlantic policy cooperation. The meeting was convened by the Lithuanian Political Director on the margins of the U.S.-EU Political Directors meeting in Versailles, France. Poldirs from several EU member states reaffirmed the basic conditions for improvement in relations with the West and the need to continue to support civil society. Differences of opinion emerged on the extent to which Transatlantic partners should respond positively to any progress in the conduct of national election - particularly if the most prominent political dissident Aleksandr Kazulin remained imprisoned. Several EU member states expressed concern about the decline in Belarusian visa applications to Europe as a result of recently imposed higher standardized EU visa fees. The inability of the West to counter creeping Russian influence over Belarus' economic sector was also discussed. End Summary

Participants

12. (U) On July 3, the Transatlantic Friends of Belarus contact group met informally at the political director's level on the margins of the U.S.-EU Political Directors meeting in Versailles, France. Lithuanian Political Director Zygimantas Pavilionis chaired the meeting that included counterparts from the following member states: Czech Republic, Estonia, Germany, Latvia, Poland, Sweden, and the UK. EUR A/S Dan Fried represented the United States and was accompanied by USEU Poloff (notetaker). Helga Schmid, Policy Planning Director and Karel Kovanda, RELEX Deputy Dirgen represented the EU Council Secretariat and European Commission respectively.

Russian Influence Growing

13. (C) Lithuanian Poldir Pavilionis opened the meeting with a call for closer coordination among Transatlantic partners in the lead up to the Belarusian Parliamentary elections. He lamented that the EU and U.S. had "lost the pulse of coordination" and were acting "individually" for the last few months. Voicing the concerns of several member states and the Council Secretariat, Pavilionis saw several economic warning signs of Russian encroachment on Belarusian sovereignty including its steady accumulation of the country's strategic economic assets as well as a sharp increase in Belarus' budget deficit. Despite Lukashenko's attempts at economic reform, the Lithuanians assessed that

Russia would complete its buy-out within two to three years if this trend continues. He defended German and Lithuanian participation in Minsk's opening to foreign investors as not inconsistent with their willingness or ability to "push on moral standards." Pavilionis saw evidence of a worsening political climate in the continued imprisonment of Kazulin, new detentions of youth activists, official harassment of the mass media and NGOs, as well as the diplomatic assault on the U.S. Embassy in Minsk. He exhorted the U.S. and EU to work together to pressure the regime on the conduct of elections, treatment of the political opposition, media freedom, civil society.

14. (C) EU Council Secretariat Policy Planning Director Helga Schmid said she would visit Minsk on behalf of the EU on July 6-7 with a message focused on prisoner releases and the conduct of elections. She was not sanguine about prospects for progress as a result of her planned meetings with the head of the Belarusian national election commission and key advisors in the Presidential Administration. She expected the MFA would be more forward-leaning, but limited in its ability to deliver.

Managing Responses to Kazulin and Elections

15. (C) A/S Fried assured Schmid of U.S. solidarity and support for her visit to Minsk. He emphasized that the U.S. Embassy had come perilously close to pulling out of Minsk. He asked Schid to carry two key messages to Minsk. First,

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that the United States was not interested in confrontation and had demonstrated a willingness to have relations. Second, the United States and EU were united in our approach and intentions; if (and only if) Belarus moved forward, we would offer positive steps in return. To be sure, the United States placed a higher priority on the release of Kazulin and other political prisoners than it did on restaffing the U.S. Embassy. A/S Fried and others concurred that Lukashenko's advisors would try to develop options based on a desire to take the smallest steps possible needed to trigger a response from the West. German Poldir Volker Stanzl added that the release of Kazulin and not the elections would be the "decisive moment" in Belarus' relations with the West. For this reason, he stressed that Kazulin's release be the major message of Schmid's trip to Minsk. The Friends concurred that the problem for the West would be the regime's insistence on sequencing Kazulin's release after meeting our other conditions.

16. (C) The UK, Czech, and Swedish Poldirs believed that elections could be an opportunity to create new momentum in Western policy toward Belarus. It would be essential to hold the Belarusian regime to its earlier commitments to the OSCE regarding elections and press for better treatment of the opposition. The Lithuanian Poldir was deeply skeptical that Lukashenko would permit the elections to allow for any meaningful political reform. Consequently, A/S Fried stated that Transatlantic partners should be careful to calibrate responses to any positive changes so as not to undercut pressure to release Kazulin.

Visa Fee Problems

17. (C) An exchange of views between several EU member state Poldirs on EU visa policy toward Belarus illuminated EU divisions on this issue. Czech, Latvian, and Lithuanian Friends worried that high EU visa fees were hampering average Belarusian citizens' ability to visit Europe and thereby undermining Belarusian civil society contact with the West. In Latvia alone, application rates had plunged over the last few months as a result of the higher fees. Germany

dismissed this as a problem, noting that nearly one third of its visas were issued free of charge. Nonetheless, the Baltic Poldirs suggested an informal harmonization of visa policy among a coalition of willing EU member states, in the absence of a formal consensus of the entire membership.

Energy Pricing

18. (C) Poldirs briefly discussed the implications for the regime in Minsk of rising energy cost. The Lithuanians expressed concern that once Russian-supplied oil and gas prices for Belarus would reach world market prices by 2011, Russia would divert gas currently supplied to Lithuania to Belarus instead. This would be particularly painful for Lithuania, whose domestic energy production was shrinking as a result of the forthcoming closure of the Ingulina nuclear plant.

9.(U) EUR A/S Fried has cleared this message for transmission.

Wohlers